

EXHIBIT B
PROCEDURES AND REQUIREMENTS
Farm and Ranch Solid Waste Cleanup and Abatement Grant Program
Fiscal Year 2013/14

Revised December 12, 2013

Revisions are in underline and red font.



EXHIBIT B

PROCEDURES AND REQUIREMENTS

FY 2013/14

Introduction

The Farm and Ranch Solid Waste Cleanup and Abatement Grant Program (Grant or Grant Program), is administered through the California Department of Resources Recycling and Recovery (CalRecycle).

These Procedures and Requirements describe the reporting requirements, instructions for obtaining payment of the grant, and fiscal control procedures to be followed in implementing the Grant. This document is incorporated by reference into the Grant Agreement (Agreement) as Exhibit B.

All forms referenced in this document are available at [www.calrecycle.ca.gov Grant Forms](http://www.calrecycle.ca.gov/GrantForms).

Third Cycle Pilot Project (Pilot)

This document was revised to include specific information for grantees who are awarded grants under the Pilot in the third cycle. Pilot grantees will need to follow the new language in addition to the standard language contained here. The additional procedures and requirements are displayed in red font.

Waste & Used Tire Hauler and End Use and Disposal Facilities

If remediation of tires is a part of the approved clean-up project, grantees and/or their contractors must meet both of the following requirements in order to be reimbursed for those costs:

- a. Contact the CalRecycle Tire Management Program Hotline (Hotline) at (866) 896-0600 (toll free), prior to removal of tires from the site, to verify that the waste and used tire hauler (tire hauler) and end use facility (facility) are in compliance with applicable laws and regulations. The name and address of the tire hauler and the facility are necessary for verification. If you have any questions, contact your Grant Manager.
- b. The tire hauler and facility used by the grantee must be in compliance with applicable laws and regulations at the time the remediation work is performed.

Before Work Begins

- After the Agreement is signed by both parties, the Grant Manager will forward to the Grantee a copy of the executed Agreement along with a Notice to Proceed. The Notice to Proceed is formal notification from CalRecycle that authorizes the Grantee to begin the Grant Project and incur costs. Any costs incurred prior to receipt of the Notice to Proceed will not be eligible for reimbursement. This does not apply for sites previously remediated.
- Pilot Project Grantees must upload all required application documents into GMSWeb before incurring cleanup costs. Required documents include:
 - ✓ Final Budget(s)
 - ✓ Work Plan(s)
 - ✓ Land Use/Zoning Designation
 - ✓ Site Characterization Form

- ✓ Property Access Authorization and Non Responsibility Affidavit(s)
- ✓ Site Photographs
- ✓ Vicinity Map(s)

After all documents are uploaded, the Grant Manager will review and determine site eligibility. Once approved, Grantee may begin site cleanup.

- A Reliable Contractor Declaration (CalRecycle 168) must be submitted to the Grant Manager for each contractor or subcontractor utilized for the cleanup. If the cleanup is performed by the property owner or a local agency, CalRecycle 168 is not required. The form is signed under penalty of perjury and states that within the preceding three (3) years, none of the events listed in Title 14, Div 7, CH 1, Art 5, section 17050 of the California Code of Regulations has occurred with respect to the contractor(s) and subcontractor(s). See (CalRecycle 168) for the grounds for list placement.
- Each contractor and subcontractor must be verified through the *Contractors State License Board*, at www.cslb.ca.gov to make certain they have the appropriate license for the work to be performed.

A scanned copy of the signed Reliable Contractor Declaration Form must be submitted in GMSWeb. To upload the Form:

1. Go to the **Reports** tab.
2. Click on **Reliable Contractor Declaration** link.
3. Click on the **Add Document** button.
4. Type a title, click the **Browse** button to search and select the document, and then **Save**.
5. Click the Back button to return to the previous page and then click on the **Submit** button.

Cost Guidelines

For new cleanup sites, eligible costs may be incurred only during the Grant Performance Period, which starts on the date the Notice to Proceed is received from CalRecycle and ends March 2, 2016.

For sites previously cleaned up by the property owner, some costs incurred prior to the date on the Notice to Proceed are eligible for reimbursement.

Grant monies only fund expenses directly related to the approved cleanup and abatement project as described in the Grantee's approved Work Plan and approved Budget, which are incorporated by reference into the Agreement as Exhibits C.

It is the Grantee's responsibility to ensure that all costs are eligible and appropriate by reviewing all documents, letters, e-mails, and other information updates supplied by CalRecycle, and consulting with the Grant Manager **before incurring costs**.

Budget Changes

Changes to the approved Budget and Work Plan are allowed when the change will not materially alter the scope of the project or include ineligible costs. Grantees must email a proposed budget change to the Grant Manager prior to the expenses being incurred. Once

approved, the Grantee must submit a revised Budget document in GMSWeb. Contact the Grant Manager for assistance.

Pilot Grantees must complete and upload a detailed Budget for each site. The budget form and budget example can be found in the Grant Application module in GMSWeb.

Payment Methods

Payment is made on a reimbursement basis for all grantees, except enrolled Resource Conservation Districts (RCDs). To obtain reimbursement, the Grantee pays the approved costs and then files a Grant Payment Request Form (CalRecycle 87) with the appropriate supporting documentation (see **Reimbursement Method**, page 7). For enrolled RCDs see **Invoiced Payment Method**, page 8, for an alternative to the reimbursement method. Advance funds are not available under this grant. The payment request process is the same for pilot grantees as it is for a standard grant.

Eligible Costs

Eligible costs for new and prior clean-ups (unless indicated otherwise) include, but are not limited to:

- a) Waste removal, disposal, and related actions (conditional on compliance with the requirements set out above in *Waste & Used Tire Hauler and End Use and Disposal Facilities* and **Before Work Begins** page 2;
- b) Recycling, including used oil, automotive batteries and tires;
- c) Drainage control and grading improvement;
- d) Slope and foundation stabilization;
- e) Excavation;
- f) Revegetation incidental to cleanup;
- g) Site security, including gates and fencing, incidental to cleanup;
- h) Public education to help prevent reoccurrence of the illegal disposal, if included with any of the above eligible remedial actions incidental to cleanup;
- i) Equipment rental and fuel;
- j) Removal of Chlorofluorocarbons (CFC's) from appliances;
- k) Mileage of up to 56.5 cents per mile, or the current rate in the State Administrative Manual (mileage available only for cleanup related activities); and
- l) Administrative/indirect/overhead costs shall not exceed seven percent (7%) of the approved total cleanup costs expended. (For more information, see **Administrative Costs**, page 5).

Ineligible Costs

Any costs not specifically included in the approved Budget and not directly related to the approved grant project are ineligible for reimbursement. Contact the Grant Manager for clarification. Ineligible costs for new and prior clean-ups include, but are not limited to:

- a) For new cleanup sites, costs incurred prior to or after the "Grant Term" as

- defined in Cost Guidelines, page 3;
- b) For prior cleanup sites, costs incurred after the "Grant Term" as defined in Cost Guidelines, page 3;
 - c) For pilot grantees, cleanup costs incurred prior to site/document approval
 - d) Any costs incurred for conditions for which the property owner(s), any resident, invitee, licensee, lessee, or person the property owner(s) inherited from was responsible;
 - e) Costs currently covered by another CalRecycle funded loan, grant or contract;
 - f) Wages paid to a landowner for time spent cleaning up his/her own property;
 - g) Any expense not deemed reasonable by the Grant Manager and/or not directly related to the implementation of the proposed cleanup;
 - h) Transportation costs of used/waste tires hauled by an unregistered tire hauler;
 - i) Closure activities, as defined in Section 20164 of Title 27, Division 2 of the California Code of Regulations;
 - j) Ground water remediation;
 - k) Surface water or vadose zone monitoring systems;
 - l) Removal, abatement cleanup or otherwise handling of hazardous substances [as defined in 42 U.S.C. Section 9601 (14)];
 - m) Extinguishing of underground fires;
 - n) Operation and maintenance of any part of a leachate system;
 - o) Profit or mark-up by the Grantee;
 - p) Cell phones, pagers, personal electronic assistance devices, and similar electronic and telecommunications devices, etc.;
 - q) Clothing
 - r) Overtime costs (except for extreme situations that have been pre-approved in writing by the Grant Manager);
 - s) Any personnel costs not directly related to salaries and/or benefits; and
 - t) Any personnel costs incurred as a result of any employee assigned to the grant cleanup project for time not actually worked on the project (e.g., use of accrued sick leave, vacation).

Administrative Costs (Administrative/Indirect/Overhead)

All Administrative costs charged to the grant must be associated with grant-related activities as set out in the approved Budget.

Administrative costs are expenditures not capable of being assigned, or not readily itemized to a particular project or activity, but considered necessary for the operation of the organization and the performance of the grant. The costs of operating and maintaining facilities, accounting services, and administrative salaries are examples of these costs.

Administrative costs shall not exceed seven percent (7%) of the **approved cleanup costs expended over the grant term**. The amount allowed to be charged for administration is on a sliding scale. If a grantee requests the maximum seven percent (7%) in the budget but at the end of the grant term the site cleanup costs are less than the amount in the approved budget, the amount the grantee can claim for administrative costs goes down as well.

Grantee's claimed Administrative costs must be consistent with Generally Accepted Accounting Principles (Accounting Principles). Grantee must uniformly apply the Accounting Principles to both grant-related activities and non-grant related activities. It is highly recommended that your Finance and/or Accounting Department verify compliance with this provision as this may be an audit inquiry. Retain your grant records for audit purposes.

- a) Direct costs shall not be included as Administrative costs.
- b) Supervision by Managers and Supervisors of personnel whose activities are directly related to the cleanup project can be included as Administrative costs but do not qualify as a direct charge to the grant. However, if a Manager or Supervisor performs an activity that is directly related to the performance of the grant (not supervision), costs associated with this activity may be included as a direct charge. Any such activity must be clearly supported by appropriate documentation.
- c) All Administrative costs must be explained/justified and verified with supporting documentation.

Grant Management System (GMSWeb)

GMSWeb is CalRecycle's web-based grant application and grant management system. Access to GMSWeb is secure. Grantees must log in using a WebPass. WebPass accounts are created for individuals, not organizations, and will be tied to your specific email address. If an email address changes, or if it becomes inactive, the Grantee must create a new WebPass account to continue accessing GMSWeb. Establish or manage a CalRecycle WebPass at: <https://secure.calrecycle.ca.gov/WebPass/>. Email the Grant Manager for all email address changes to contacts and web passes to ensure continued access to the system.

Accessing the Grant

Grantees must log into GMSWeb using their web pass at:

<https://secure.calrecycle.ca.gov/Grants>. After log-in, locate the grant in the

Associated Grant Applications table and select the **Grant Management** link. The Grant Management module includes the following sections:

- **Summary tab** – contains a budget summary that shows approved budget, paid and remaining amounts (this section is available to the Grantee in read-only mode) and resource links and documents.
- **Payment Request tab** - requests reimbursement.
- **Reports tab**- uploads required reports.
- **Documents tab**– uploads other grant documents that are not considered supporting documents to a payment request or a report. One example is the Reliable Contractor Declaration (CalRecycle 168). This section also provides access to documents that were uploaded within other sections of GMSWeb.

Follow the instructions in GMSWeb to work in the system. Use the information in the following sections to determine what transactions, supporting documents, and reports are required.

Contact Updates

- Access to the grant is limited to those listed in the Contacts tab in the Application Module. Grantees may update contact information for all contact types except Signature Authority. Notify the assigned Grant Manager of any changes to Signature Authority information via email.

Payments Request Review

The Grant Manager will review each Payment Request for accuracy and cost eligibility. The expenditures will be compared to the approved Budget and any expenses not on the approved budget will be removed. The Grant Manager may request additional documentation and make payment adjustments, as necessary. An incomplete Payment Request will result in delay of processing and possibly denial of payment.

Ten Percent Retention

The Grant Manager will deduct ten percent (10%) from the approved amount of each Payment Request. The ten percent will be paid at the end of the grant term if all reports, tasks and conditions stipulated in the Agreement have been satisfactorily completed. Grantee must submit a Payment Request Form (CalRecycle 87) to request the ten percent previously withheld. Ten percent will not be deducted if only a Final Payment Request is made for the grant.

Payment Request Checklists

The Payment Request Checklist/Progress Report Form (CalRecycle 749) and the Final Payment Request Checklist/ Final Report Form (CalRecycle 750) have been developed to guide you through the program requirements. These forms must be completed and submitted with each Payment Request. The required information is detailed below.

Payment Requests:

Reimbursement Method

This payment method is required for all grantees except enrolled Resource Conservation Districts (RCDs). RCDs, see the ***Invoiced Payment Method*** on page 8.

The Reimbursement Method requires the grantee to pay the approved cost then submit a Payment Request for reimbursement as detailed below.

Submitting a Payment Request for Reimbursement

1. Go to the **Payment Request** tab.
2. Click on the **Create a Payment Request** button.
3. Choose **Reimburse** for the Transaction Type and enter the amount spent in each budget sub category.
4. When the transaction is complete, click the **Save** button.
5. After the transaction is saved, the **Upload Supporting Documentation** button will appear in the lower right corner.
6. Type a title, click the **Browse** button to search and upload the document, and then **Save**.

7. Click the **back** button to upload another document and continue this process until all required supporting documents listed below are uploaded.
8. The maximum allowable file size for each document is 40MB.
9. Click the **Submit Transaction** button to complete your payment request (including uploading all the documents listed below).

Supporting Documentation

Each Payment Request, including the Final, must include the following:

- a) A Grant Payment Request Form (CalRecycle 87) with original signature, signed by the person authorized by the Grantee's resolution (signatory);
- b) A Farm and Ranch Grant Expenditure Itemization Form (CalRecycle 224), which complies with the following requirements for each site remediated:
 - All expenses are on the approved Budget;
 - Arrange expenses in the same budget categories as the approved Budget;
 - All expenses claimed must be dated, or initiated, after the date on the Notice to Proceed
 - certain expenses for prior clean-ups may have been incurred before the Notice to Proceed;
 - Cap administrative costs at seven percent (7%) or less of the **approved cleanup costs expended**
 - Provide subtotals for each budget category.
 - *If the Payment Request is for the cleanup of more than one site, include an additional Expenditure Itemization showing the entire amount spent for the current Payment Request on all grant related activities.*
- c) Legible copies of all invoices/receipts that support each purchase. Purchase orders alone are not sufficient to evidence incurred costs;
- d) Legible copies of invoices/receipts from each business (landfill, transfer station, metal recycler, etc.) documenting that the waste removed from the site was properly disposed or recycled;
 - a. For used/waste tires, include a tire manifest documenting transportation of the tires by a registered tire hauler to an authorized facility;
- e) Personnel Expenditure Summary (CalRecycle 165) for all claimed personnel expenses for actual time spent on activities directly related to this grant, and the actual amount paid to the employee.

The following items are required to be submitted at the same time as a payment request but are not uploaded in the Payment Request tab, see section entitled Submitting Reports.

- A Farm and Ranch Grant Report Form (CalRecycle 248) if waste has been removed from the site(s). Use one form for each site remediated. For the Final Payment Request, include an additional report form with the total amount of waste removed from all sites for the entire grant term;

- A Progress Report or Final Progress Report submitted with the appropriate Checklist, and
- Photographs demonstrating the site has been remediated.

Download CalRecycle forms at: <http://www.calrecycle.ca.gov/Grants/Forms/>.

Final Payment Request for Reimbursement and Final Report

All costs, including goods and services, claimed in this Request must be paid for and received prior to submitting the Final Payment Request. Provide all information required in the Final Payment Request Checklist /Final Report Form. Failure to submit a complete and satisfactory Final Payment Request and Final Report (see **Reports**, Page 12), with appropriate documentation, by the *March 2, 2016*, deadline may result in rejection of the Payment Request and/or forfeiture by the Grantee of claims for costs incurred that might otherwise have been eligible for grant funding.

Invoiced Payment Method (available only to enrolled Resource Conservation Districts (RCD))

Except for the Final Payment Request, the Invoiced Payment Method allows the enrolled RCD to submit Payment Requests for incurred, but unpaid eligible costs. Upon approval of the Payment Request by the Grant Manager, the RCD will receive grant funds for approved costs less a ten percent retention. Upon receipt of grant funds, the enrolled RCD is required to pay in full all costs owing, including those covered by the ten percent retention. Grantee must make full payment on all costs owing prior to submitting the next Payment Request.

Caution: the enrolled RCD is responsible for all costs incurred. In the event an incurred cost is not eligible for payment under this Grant, it is the RCD's responsibility to satisfy the obligation.

For the Final Payment Request the enrolled RCD must pay all invoices in full prior to submitting this Payment Request and receiving grant funds.

Submitting a Payment Request for Invoiced Payment Request

1. Go to the **Payment Request** tab.
2. Click on the **Create a Payment Request** button.
3. Choose **Reimburse** for the Transaction Type and enter the amount spent in each budget sub category.
4. When the transaction is complete, click the **Save** button.
5. After the transaction is saved, the **Upload Supporting Documentation** button will appear in the lower right corner.
6. Type a title, click the **Browse** button to search and upload the document, and then **Save**.
7. Click the **back** button to upload another document and continue this process until all required supporting documents listed below are uploaded.
8. The maximum allowable file size for each document is 40MB.
9. Click the **Submit Transaction** button to complete your payment request (including uploading all the documents listed below).

Supporting Documentation

Each Payment Request, including the Final, must include the following:

- a) A Grant Payment Request Form (CalRecycle 87), with original signature, signed by the person authorized by the Grantee's resolution (signatory);
- b) A Farm and Ranch Grant Expenditure Itemization Form (CalRecycle 224), which complies with the following for each site remediated:
 - All expenses are on the approved Budget;
 - Arrange expenses in the same budget categories as the original cost estimate/budget submitted with the Grant Application;
 - All expenses claimed must be dated, or initiated, after the date on the Notice to Proceed (does not apply to prior cleanup grants);
 - Cap administrative costs at seven percent or less of the approved cleanup costs expended;
 - Provide subtotals for each budget category;
 - If the Payment Request is for the cleanup of more than one site, include an additional Expenditure Itemization showing the entire amount spent for the current Payment Request on all grant related activities, for **all** sites;
- c) A legible copy of all invoices that support each incurred but unpaid cost. Purchase orders alone are not sufficient to evidence an incurred cost;
- d) Legible copies of invoices/receipts from each business (landfill, transfer station, metal recycler, etc.) documenting that the waste removed from the approved site was properly disposed or recycled. For used/waste tires, include a tire manifest documenting transportation of the tires by a registered tire hauler to an authorized facility; and
- e) A Personnel Expenditure Summary (CalRecycle 165) for all claimed personnel expenses for actual time spent on activities directly related to this grant and the actual amount incurred or paid to grantee's employee.

The following items are required to be submitted at the same time as a payment request but are not uploaded in the Payment Request tab, see section entitled Submitting Reports

- A Farm and Ranch Grant Report Form (CalRecycle 248) if waste has been removed from the site(s). Use one form for each site remediated. For the Final Payment Request include an additional report form with the total amount of waste removed from all sites for the entire grant term;
- Documentation, such as invoices/receipts, showing that all parties authorized for payment in the previously approved Invoiced Payment Request have received full payment including the ten percent retained by CalRecycle;
- A Progress Report or Final Report submitted on the appropriate Checklist; and
- Photographs demonstrating the site has been fully remediated.

Download CalRecycle forms at, <http://www.calrecycle.ca.gov/Grants/Forms/>

Final Payment Request for Invoiced Payment Method and Final Report

The Final Payment Request **cannot** be processed as an Invoiced Payment; it is for reimbursement only. All costs, including costs for goods and services, claimed in this Request **must** be paid for and received prior to submitting the Final Payment Request. Provide all information required in the Final Payment Request Checklist/Final Report Form. Failure to submit a complete and satisfactory Final Payment Request and Final Report (see *Reports*, Page 12), with appropriate documentation, by the **March 2, 2016**, deadline may result in rejection of the Payment Request and/or forfeiture by the Grantee of claims for costs incurred that might otherwise have been eligible for grant funding.

Hardcopy of Payment Request Form Required from all grantees

All Payment Request documentation, except the Payment Request Form (CalRecycle 87), is submitted through GMSWeb. Each Payment Request Form bearing the original signature of grantee's authorized signatory must be sent by U.S. Postal Service, commercial carrier or hand delivered no later than the applicable due date, to the Grant Manager at:

For U.S. Postal Service Delivery:

Department of Resources Recovery and Recycling
Financial Resources Mgmt. Branch, MS 9
Farm and Ranch Grant Program
P.O. Box 4025
Sacramento CA 95812-4025

For Commercial or Hand-Delivery:

California Environmental Protection Agency Building
Department of Resources Recycling and Recovery
Financial Resources Mgmt. Branch, MS 9
Farm and Ranch Grant Program
1001 I Street
Sacramento, CA 95814

Grantee should email the Grant Manager that a payment request is available for review once all payment request documents have been uploaded in GMSWeb and the Payment Request Form has been mailed.

Payment Processing

CalRecycle will make payment to the Grantee as promptly as fiscal procedures permit. Payment is usually made within approximately forty-five (45) days from the date the Payment Request is approved by the Grant Manager.

Reports: applicable to all grantees

A Progress Report is due with *each* Payment Request and a Final Report is due with the Final Payment Request. If only one Payment Request is submitted, only the Final Report is required. **The Grant Manager may request a Progress Report at any time during the grant term.**

Progress Reports

A Progress Report shall be submitted with each Payment Request. Complete the Progress Report information requested on page two of the Payment Request Checklist/Progress Report form (CalRecycle 749) and upload in GMSWeb.

Final Report

The Final Report is due to CalRecycle on **March 2, 2016**. Complete the Final Report information requested on page 2 of the Final Payment Request Checklist/Progress Report form (CalRecycle 750) and upload in GMSWeb.

Submitting Reports

All reports must be submitted on the appropriate [Checklist/Report form \(CalRecycle 749 or 750\)](#) and uploaded in GMSWeb. To upload a report:

1. Go to the **Reports** tab.
2. Click on the appropriate event name.
3. Click on the **Add Document** button.
4. Type a title, click the **Browse** button to search and upload the document, and then **Save**.
5. You may upload multiple documents to complete reporting requirements.
6. The maximum allowable file size is 40MB.
7. Click the **Back** button to return to the previous page.
8. Click the **Submit** button when the report is complete.

Records and Audit Requirements

As more fully described in the attached Terms and Conditions "Audit/Records Access" provision, this grant is subject to a desk or field audit. The Grantee must retain all financial and grant program documents including, but not limited to, statistical records, supporting documents, source documents, expenditure ledgers, payroll register entries, time sheets, paid warrants, contracts, change orders, invoices, and canceled checks that substantiate the expenditures claimed. These documents must be available at the time of an audit.

If an audit reveals that CalRecycle funds are not being expended, or have not been expended in accordance with this Agreement, in addition to any other rights of CalRecycle, the Grantee may be required to forfeit the unexpended portion of the funds, and/or repay CalRecycle for any improperly expended monies. Additionally, future grant awards to the Grantee may be jeopardized.